



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

September 25, 2012

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Third District

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To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

WASHINGTON, D.C. UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Congressional Calendar.** Both houses of Congress adjourned at the end of last week. Congress will reconvene after the November elections for a "lame duck" session to address major budget-related issues, such as the so-called "fiscal cliff," which refers to major tax increases and spending cuts that will take effect at the end of calendar year 2012 or early next year under current law.
- **Fiscal Year (FY) 2013 Continuing Resolution.** On September 22, 2012, the Senate passed H.J. Res. 117, the FY 2013 Continuing Resolution (CR), which would temporarily fund Federal programs and operations and also extend the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) for six months through March 2013. The President has indicated that he will sign the CR into law.

Congressional Calendar

Congress adjourned at the end of last week for a recess, which will last until after the November elections. Congress then will return for a "lame duck" session in which it will address major budget-related issues, such as the so-called "fiscal cliff," which refers to major tax increases and spending cuts that will take effect at the end of calendar year 2012 or early next year under current law. On the revenue side, the fiscal cliff includes

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Each Supervisor
September 25, 2012
Page 2

Bush tax cuts, payroll tax cuts, and other tax breaks which are scheduled to expire on December 31, 2012. On the spending side, the fiscal cliff includes extended Unemployment Insurance benefits and the postponement of an estimated 27 percent reduction in Medicare physician payment rates, which also are due to expire on December 31, 2012, and major across-the-board sequestration cuts, which are scheduled to take effect in January 2013 under current law.

The Congressional Budget Office estimates that these scheduled tax increases and spending cuts would reduce the Federal budget deficit by a total of \$607 billion in FY 2013, and that it also would adversely affect the nation's economy and increase unemployment by 2 million. Two other major pending budget issues, which Congress potentially could address during the lame duck session include an increase in the national debt limit, which currently is projected to be reached early in calendar year 2013, and the completion of FY 2013 appropriations legislation to fund Federal discretionary programs and operations through the end of FY 2013.

Fiscal Year (FY) 2013 Continuing Resolution

On September 22, 2012, the Senate passed H.J. Res. 117, the FY 2013 Continuing Resolution (CR), sending it to the President, who has indicated that he will sign it into law before FY 2013 begins on October 1, 2012. H.J. Res. 117 would temporarily fund all Federal programs and operations and also extend the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) for the first six months of FY 2013 through March 2013. This CR is needed because Congress has not yet enacted any of the 12 appropriations bills, which fund discretionary programs for FY 2013, and the authorization for TANF and SNAP, which fund the CalWORKs and CalFresh programs in California, will expire at the end of this month under current law. For the first half of FY 2013, the CR generally would fund discretionary programs at a level that is 0.6 percent above the FFY 2012 level to reflect the slightly higher overall discretionary spending limit of \$1.047 trillion in FFY 2013, which was set under the Budget Control Act of 2011.

We will continue to keep you advised.

WTF:RA
MR:MT:lm

c: All Department Heads
Legislative Strategist